**2014-2016 Road Map Themes: EVOLVING BUSINESS LANDSCAPE**  
- Changing care delivery payment systems – Payment models and healthcare reform

* Shared risk models
* What are the next 2-3 years about?

- New entrepreneurialism

* Impact of consumerism /consumerization on business and clinical models

**Discussion/Notes:** Not only are more people being insured, but entire models are shifting. The infrastructure to connect has gotten more robust.  
  
**GOAL**:

LTPAC providers must adopt and use health IT, including health information exchange, to effectively streamline processes (such as workflow); improve efficiency; and enable new clinical, operational and payment models to facilitate innovative patient-centered business practices and drive improvements in quality, continuity and cost of care.

**RATIONALE:**

There is broad recognition that we must dramatically improve the healthcare system by delivering better patient/ resident/ client experience (including quality and satisfaction), improve population health and reduce our per capita spending. There are increasing pressures on traditional reimbursement streams. Payment schedules are being reduced while the unit care costs continue to rise. Efforts are underway to shift to new value-based and performance driven payment models, such as Accountable Care Organizations (ACOs) and Bundled Payments, aims to manage the overall cost of care across settings, while improving outcomes. More pressures to control both spending and quality in LTPAC settings are expected over the next 2-3 years. Moreover, new payment models, as well as existing and emerging private pay opportunities, are putting emphasis on consumer experience and satisfaction with care.

As a result, new models are emerging in voluntary, as well as regulation-driven, partnerships. LTPAC providers are part of the solution: they offer lower-cost care settings and the appropriate resources for individuals who need support in chronic disease management, extra time to recover from illness, stabilization, rehabilitation or supportive services. However, in order for LTPAC providers to prosper and survive in this environment, they need to innovate and improve the value they deliver to customers (patients, residents, families, other providers and payers). For example, pressures on short-term acute-care hospitals to reduce re-admission rates and improve outcomes create new challenges for hospitals and new opportunities for LTPAC providers. As hospitals face financial penalties for re-admissions, there will be monetary value to partners that can manage, stabilize, provide rehabilitation and supportive services to discharged patients and reduce their re-admission rates.

Health IT, including interoperable EHRs, HIE, tele-health, remote monitoring and shared care planning and coordination tools, are key enablers for providing these services efficiently, cost-effectively, and in coordination with other healthcare providers. This makes health IT a business imperative for care providers and puts it in sync with national goals to improve care, population health and reduce health care costs through the use of health IT. To adapt to these changes, LTPAC organizations must be entrepreneurial and willing to invest in exploring innovative partnerships with hospitals, physician groups, payers and other care providers, and to share in the risks, as well as rewards, inherent in these models that are new to LTPAC providers. A consumer-oriented approach, based on transparency in quality, satisfaction and cost is needed not only to achieve high levels of care quality, but also high levels of satisfaction from customers, including residents, clients, family members, LTPAC providers and other care partners. This consumer-orientation and transparency leads to more informed decisions and drives increasing competitiveness and consolidation in the market place.

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|  | **KEY PRIORITIES:**  Encourage LTPAC providers to adopt health IT, including EHR advanced functionalities like analytics, quality reporting, clinical decision support systems and health information exchange capabilities, as well as telehealth and demonstrate that they can:   1. Drive continuous quality improvement initiatives to improve quality of care, including reducing unnecessary hospitalizations and hospital readmission. 2. Experiment with new entrepreneurial business models, including integrated/coordinated care models, risk sharing partnerships with hospitals, physician groups, ACOs and payers in their areas of strong competencies to increase the likelihood of success. 3. Document and disseminate best practices, achieved quality outcomes, including reduced re-admission rates, client satisfaction and costs, as well as financial outcomes, to other providers. |

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|  | **OBJECTIVES AND STRATEGIES TO PURSUE:**   1. LTPAC providers must proactively adopt and use health IT to drive continuous quality improvement initiatives to improve quality of care, including reducing unnecessary hospitalizations and hospital readmission rather than passively collecting the data necessary for mandated regulatory assessments and billing.    1. LTPAC providers must not only implement health IT, but also must deeply integrate it into care processes by collecting and sharing information in ways that streamline activities and allow for better management of resources and risks. This requires providers to train staff on process improvement, health IT and how to effectively use these systems to improve care.    2. Providers should integrate assessing the impact of the implementation of health IT on business processes and care outcomes as part of their on-going quality improvement and operations management efforts. 2. Exchange electronic health information across care settings to support care coordination during shared care and transitions of care.    1. LTPAC EHR vendors must pursue the implementation of interoperability standards and certification, including the voluntary certification proposed by ONC for LTPAC and Behavioral Health in 2015.    2. Providers should be encouraged to pursue implementing and upgrading to certified interoperable health IT systems.    3. LTPAC providers should work on HIE, directly with other provider partners and/or through state and regional HIE entities. This would entail working with vendors of other EHR systems, including hospital EHR vendors, as well as integration engines and other intermediary exchange facilitators, at least in the interim.    4. Providers should evaluate the impact of HIE implementation on care outcomes as part of their on-going quality improvement efforts, and in partnership with other providers, to demonstrate the value of HIE, interoperability and certification.    5. Engaging in this process would help provider partners identify gaps in the information they need to exchange, required standards, necessary workflow changes and future certification requirements. 3. To experiment with new entrepreneurial business models, including integrated/coordinated care models, risk sharing partnerships with hospitals, physician groups, ACOs and payers in their areas of strong competencies, providers must:    1. Have a culture that is entrepreneurial and a willingness to experiment and take calculated risk    2. Understand the population they serve, their characteristics and their readmission rates.    3. Understand their own as well as their partners’ competencies to identify where they could add value efficiently and cost-effectively.    4. Understand the operating environment, market competitors, trends, prevailing care modalities in their market(s) and available potential partners and opportunities.    5. Understand their resources, cost structure and inherent risks and risk-sharing in the potential models they are considering.   Data obtained from benchmarking, quality reporting, CDS capabilities and analytic tools as well HIE and telehealth can be help providers accomplish these goals. We believe that partnership with hospitals around hospital readmission reduction program could present an immediate opportunity to pilot test these capabilities and provide an experimentation ground for these types of contractual agreements.   1. Providers must document and publish the best practices as well as the outcomes of successful implementation on: business, care quality, client satisfaction, utilization and cost to demonstrate the value of health IT-enabled LTPAC providers to the health ecosystem in not only peer-reviewed publications but also as case studies. Associations and the Collaborative should encourage sharing and broadly disseminating provider best practices, lessons learned, and advice to others through various dissemination activities, including shared learning collaboratives. |
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**Next Steps:**   
***For Provider Community:***  
Adopt Health IT

Measure outcomes and use IT to drive quality improvement

Participate in HIE

Understand your strength, competencies, and risks and engage in experimenting in entrepreneurial models, including partnerships with hospitals

***For Vendor Community:***  
Support interoperability standards

Pursue Interoperability Certification

Work with other vendors, integration engines, intermediaries and HIEs to help providers engage meaningfully in HIE

Provide adequate training on the use of your product, including advanced features like analytics, CDS, reporting and HIE capabilities to drive quality initiatives

***Other: For Policy Makers***

Continue to support development, implementation and adoption of standards and certification programs that are relevant to LTPAC settings.

Support quality measures that are meaningful.

Incorporate these measures in innovative care and payment models and demonstrations supported by CMS that have LTPAC focus and Health IT emphasis.

Consider grants, low interest loans and financial incentives to smaller, unaffiliated and rural providers who are less likely to have the resources and the partnership opportunities to support their Health IT and Quality Improvement initiatives.